

## Message Text

UNCLASSIFIED

PAGE 01 BERN 02958 171426Z

65

ACTION EB-07

INFO OCT-01 AF-06 ARA-10 EA-10 EUR-12 NEA-10 ISO-00 FEA-01

AGR-10 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 USIA-15 PRS-01

SP-02 OMB-01 IO-10 /153 W  
----- 093616

R 171346Z JUL 75

FM AMEMBASSY BERN

TO SECSTATE WASHDC 998

INFO AMCONSUL ZURICH UNN

UNCLAS BERN 2958

E.O. 11652: N/A

TAGS: EFIN EIND EINV SZ

SUBJ: FOREIGN INVESTMENT CLIMATE AND STATISTICS

REF: STATE 165596

AS REQUESTED REFTTEL, THE EMBASSY'S UPDATED STATEMENT ON THE FOREIGN INVESTMENT CLIMATE IN SWITZERLAND FOLLOWS:  
SWITZERLAND HAS TRADITIONALLY PROVIDED A HOSPITABLE CLIMATE FOR FOREIGN AND DOMESTIC INVESTMENT. A STRONG FREE-MARKET ECONOMY, COMBINED WITH A REMARKABLE RECORD OF POLITICAL STABILITY, MAKES SWITZERLAND AN ATTRACTIVE PLACE FOR INVESTORS. MOREOVER, SWITZERLAND HAS NO LAWS OR REGULATIONS RESTRICTING INCOMING FOREIGN DIRECT INVESTMENT. THE COUNTRY OFFERS EXCELLENT INTERNATIONAL BANKING FACILITIES, A FAVORABLE GEOGRAPHIC LOCATION IN EUROPE, A WELL-DEVELOPED TRANSPORTATION AND COMMUNICATIONS NETWORK, RELATIVELY LOW TAXES, AND TREATIES WITH THE UNITED STATES ELIMINATING DOUBLE TAXATION AND GUARANTEEING US INVESTORS THE RIGHT TO ENGAGE IN BUSINESS ACTIVITIES UNDER THE PROTECTION OF SWISS LAW. GIVEN THESE ADVANTAGES, SWITZERLAND HAS GENERALLY NOT FOUND IT NECESSARY TO PROVIDE ANY ADDITIONAL INCENTIVES TO  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BERN 02958 171426Z

FOREIGN INVESTORS. WHILE SEVERAL OF THE PREDOMINATELY AGRI-

CULTURAL CANTONS OFFER SPECIAL TAX, UTILITY, AND LAND CONCESSIONS TO NEW INDUSTRIAL ENTERPRISES, THESE INCENTIVES HAVE NOT BEEN IMPORTANT FACTORS IN PROMOTING FOREIGN INVESTMENT IN SWITZERLAND.

SWITZERLAND CURRENTLY SUFFERS FROM ECONOMIC RECESSION AND A MODERATELY HIGH RATE OF INFLATION. AS PART OF ITS ANTI-INFLATION PROGRAM, THE SWISS GOVERNMENT HAS OCCASIONALLY IMPOSED LIMITED CONTROLS ON DOMESTIC CREDIT, NEW CONSTRUCTION, AND CERTAIN TYPES OF CAPITAL INFLOWS. MOST OF THESE RESTRICTIONS HAVE BEEN LIFTED IN RECENT MONTHS, BUT TOGETHER WITH THE APPRECIATION OF THE SWISS FRANC THEY HAVE HAD AN INHIBITING EFFECT ON FOREIGN AS WELL AS DOMESTIC INVESTMENT. ALTHOUGH NOT INTENDED TO RESTRICT FOREIGN INVESTMENT, EFFORTS BY THE SWISS GOVERNMENT TO REDUCE THE SIZE OF THE FOREIGN POPULATION (WHICH CONSTITUTES 17 PERCENT OF THE TOTAL POPULATION AND ABOUT 30 PERCENT OF THE LABOR FORCE) HAVE MADE IT INCREASINGLY DIFFICULT FOR FOREIGNERS TO OBTAIN WORK PERMITS. SOME FOREIGN INVESTORS HAVE EXPERIENCED DIFFICULTY AT THE CANTONAL LEVEL IN OBTAINING WORK PERMITS FOR SENIOR MANAGEMENT PERSONNEL, BUT APPEAL TO FEDERAL AUTHORITIES HAS USUALLY RESOLVED THE PROBLEM. WITH CONTINUING POLITICAL PRESSURE TO REDUCE THE PRESENT NUMBER OF FOREIGNERS IN SWITZERLAND, HOWEVER, THE DIFFICULTY OF OBTAINING WORK PERMITS MAY INCREASE.

IN THE FINAL ANALYSIS, SWISS OFFICIAL POLICIES TOWARD FOREIGN INVESTMENT PRESENT NEITHER INCENTIVES NOR SUBSTANTIAL BARRIERS TO THE FOREIGN INVESTOR, NOR DO SWISS POLICIES GIVE DOMESTIC PRODUCERS ANY ADVANTAGE OVER FOREIGN PRODUCERS EITHER IN THE SWISS MARKET OR ABROAD. THE SWISS GOVERNMENT DOES NOT MAINTAIN STATISTICS ON THE AMOUNT OR SOURCE OF FOREIGN INVESTMENT IN SWITZERLAND.

ODELL

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, INVESTMENT OPPORTUNITY REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BERN02958  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750247-0887  
**From:** BERN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750744/aaaabnct.tel  
**Line Count:** 95  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 165596  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 FEB 2003 by ThomasVJ>; APPROVED <22 MAR 2004 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FOREIGN INVESTMENT CLIMATE AND STATISTICS  
**TAGS:** EFIN, EIND, EINV, SZ  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006